

**2007**  
LAPORAN  
TAHUNAN  
ANNUAL REPORT



**BERJAYA**  
**BERJAYA CORPORATION BERHAD**

[Company No. 554790-X]

برجاي كورپوريشن برحد  
成功集團有限公司



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	Form of Proxy



The corporate logo comprises the word BERJAYA in gold and a symbol made up of closely interwoven Bs in rich cobalt blue with gold lining around the circumference and a gold dot in the centre.

BERJAYA means “success” in Bahasa Malaysia and reflects the success and Malaysian character of the Berjaya Corporation’s core businesses. The intertwining Bs of the symbol represent our strong foundations and the constant synergy taking place within the Berjaya Corporation group of companies. Each B faces a different direction, depicting the varied strengths of the companies that make up the Berjaya Corporation group of companies.



*Berjaya Hills Golf & Country Club, Pahang.*

*Berjaya Langkawi Beach & Spa Resort, Kedah.*

*Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.*

## Corporate Profile

**The Berjaya Corporation group of companies' history dates back to 1984 when the Chairman/Chief Executive Officer, Tan Sri Dato' Seri Vincent Tan Chee Yioun acquired a major controlling stake in the share capital of Berjaya Industrial Berhad (originally known as Berjaya Kawat Berhad) from the founders, Broken Hill Proprietary Ltd, Australia and National Iron & Steel Mills, Singapore. The shareholding change also resulted in a major change in the directorate, direction and dynamic growth of Berjaya Corporation Berhad.**

In October 1988, following a major restructuring, Berjaya Group Berhad (then known as Inter-Pacific Industrial Group Berhad) became the holding company of Berjaya Industrial Berhad.

Inter-Pacific Industrial Group Berhad (formerly known as Raleigh Berhad) was incorporated in 1967 as a bicycle manufacturer. In 1969, the Company gained official listing on Bursa Malaysia Securities Berhad ("Bursa Securities").

Berjaya Corporation Berhad assumed the listing status of Berjaya Group Berhad on the Main Board of Bursa Securities upon the completion of the group restructuring exercise effected in October 2005.

Today, the Group has a total employee strength of 16,000 and is a diversified entity engaged in the following core businesses:

- Consumer Marketing and Direct Selling;
- Financial Services;
- Vacation Timeshare, Hotels, Resorts & Recreation Development;
- Property Investment and Development;
- Gaming and Lottery Management;
- Investment Holding and others.

# Corporate Information



Borders bookstore, QueensbayMall, Penang.

A Starbucks Coffee Outlet.

A wide range of menu from Kenny Rogers ROASTERS.

## BOARD OF DIRECTORS

Tan Sri Dato' Seri Vincent Tan Chee Yioun  
*Chairman/Chief Executive Officer*

Tan Sri Dato' Tan Chee Sing  
*Deputy Chairman*

### *Executive Directors*

Datuk Robert Yong Kuen Loke

Dato' Robin Tan Yeong Ching

Chan Kien Sing

Freddie Pang Hock Cheng

Rayvin Tan Yeong Sheik

Vivienne Cheng Chi Fan

Dato' Azlan Meah Bin Hj Ahmed Meah

### *Directors*

Dato' Mohd Annuar Bin Zaini

Tan Sri Datuk Abdul Rahim Bin Haji Din

Dato' Suleiman Bin Mohd Noor

Dato' Hj Md Yusoff @ Mohd Yusoff

Bin Jaafar

Mohd Zain Bin Ahmad

## AUDIT COMMITTEE

### *Chairman/Independent*

*Non-Executive Director*

Dato' Suleiman Bin Mohd Noor

### *Non-Independent Executive Director*

Datuk Robert Yong Kuen Loke

### *Independent Non-Executive Directors*

Tan Sri Datuk Abdul Rahim Bin Haji Din

Dato' Hj Md Yusoff @ Mohd Yusoff

Bin Jaafar

## SECRETARIES

Su Swee Hong (MAICSA No. 0776729)

Gan Swee Peng (MAICSA No. 7001222)

## SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd

Lot C1-C3, Block C

2nd Floor, KL Plaza

179 Jalan Bukit Bintang

55100 Kuala Lumpur

Tel : 03 - 2145 0533

Fax : 03 - 2145 9702

## AUDITORS

Ernst & Young Chartered Accountants

## REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel : 03 - 2149 1999

Fax : 03 - 2143 1685

## PRINCIPAL BANKERS

RHB Bank Berhad

CIMB Bank Berhad

Malayan Banking Berhad

AmBank (M) Berhad

AmInvestment Bank Berhad

OCBC Bank (M) Berhad

EON Bank Berhad

The Bank of Nova Scotia Berhad

Affin Bank Berhad

Alliance Bank Malaysia Berhad

Bank Perusahaan Kecil & Sederhana

Malaysia Bhd

Bank Pembangunan Malaysia Berhad

## STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia

Securities Berhad

## STOCK SHORT NAME

BJCORP (3395)

## PLACE OF INCORPORATION

AND DOMICILE

Malaysia

# Profile of Directors



**TAN SRI DATO' SERI VINCENT  
TAN CHEE YIOUN**

55 years of age, Malaysian  
Chairman/  
Chief Executive Officer

He was appointed to the Board of the Company on 15 September 2005 as Chairman/Chief Executive Officer ("CEO").

He is a businessman and entrepreneur with varied interests in property development and investment, gaming, stockbroking, manufacturing, trading, hospitality, internet-related businesses, utilities, media, telecommunications, insurance and education through various public and private companies namely, Berjaya Corporation group of companies, Nexnews Berhad, Matrix International Berhad, MOL.com Berhad, Informatics Education Ltd, Intan Utilities Berhad, U Telecom Media Holdings Sdn Bhd (formerly known as MiTV Corporation Sdn Bhd) and Sun Media Corporation Sdn Bhd.

He is also the Chairman of Nexnews Berhad, Berjaya Times Square Sdn Bhd, Convenience Shopping Sdn Bhd, the owner of the 7-Eleven franchise in Malaysia and U Mobile Sdn Bhd (formerly known as MiTV Networks Sdn Bhd), a new 3G mobile phone operator in Malaysia and the Managing Director/CEO of Sports Toto Malaysia Sdn Bhd.

He also holds directorships in Berjaya Hills Berhad, Berjaya Vacation Club Berhad, Berjaya Golf Resort Berhad, Bukit Kiara Resort Berhad as well as several other private limited companies.

His brother, Tan Sri Dato' Tan Chee Sing, and his sons, Dato' Robin Tan Yeong Ching and Rayvin Tan Yeong Sheik, are also members of the Board.

Tan Sri Dato' Seri Vincent Tan Chee Yioun is a member of the Remuneration Committee of the Company.



**TAN SRI DATO'  
TAN CHEE SING**

52 years of age, Malaysian  
Deputy Chairman  
Non-Independent Non-Executive

He was appointed to the Board of the Company as Deputy Chairman on 15 September 2005.

He is a businessman and entrepreneur with extensive experience in property development, restaurant/resort management, insurance, trading, gaming and stockbroking through his interests in various public and private companies.

Currently, he is also the Deputy Chairman of Berjaya Land Berhad, Executive Vice-Chairman of TT Resources Berhad, Group Chief Executive Officer of Dijaya Corporation Berhad and Chief Executive Officer of Tropicana Golf & Country Resort Berhad. He also holds directorships in Berjaya Capital Berhad, Cosway Corporation Berhad, MTD Capital Berhad, Bukit Kiara Resort Berhad, Tioman Island Resort Berhad, KDE Recreation Berhad and Berjaya Golf Resort Berhad.

His brother, Tan Sri Dato' Seri Vincent Tan Chee Yioun, and his nephews, Dato' Robin Tan Yeong Ching and Rayvin Tan Yeong Sheik, are also members of the Board.

Tan Sri Dato' Tan Chee Sing is a member of the Nomination Committee of the Company.

## Profile of Directors



He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He is a Fellow member of The Institute of Chartered Accountants (England and Wales), The Association of Chartered Certified Accountants (United Kingdom) and a member of The Institute of Certified Public Accountants of Singapore. He is also a Council Member of the Malaysian Institute of Certified Public Accountants. He has many years of working experience in the fields of accounting, audit, treasury and financial management. He started his career in London in 1973 and worked for more than five years in chartered accounting firms in London including two years with Moore Stephens & Co. Subsequently, he was with Price Waterhouse, Singapore from 1979 to 1982. Prior to joining Berjaya Group of Companies in 1987, he served as Group Finance Manager in UMW Holdings Berhad and Group Treasurer in Edaran Otomobil Nasional Bhd.

Currently, he is also an Executive Director of Berjaya Land Berhad and Berjaya Sports Toto Berhad. He is also a Director of Berjaya Group Berhad, Cosway Corporation Berhad, Berjaya Capital Berhad, Matrix International Berhad, Berjaya Golf Resort Berhad and several other private limited companies.

Datuk Robert Yong Yuen Loke is a member of the Audit Committee and Risk Management Committee of the Company.



He was appointed to the Board of the Company as an Executive Director on 21 December 2006. He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995.

He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Chairman of MOL.com Berhad, the Chief Executive Officer of Berjaya Sports Toto Berhad, an Executive Director of Sports Toto Malaysia Sdn Bhd and a Director of Berjaya Land Berhad.

He also holds directorships in Qinetics Solutions Berhad, Berjaya Sampo Insurance Berhad (formerly known as Berjaya General Insurance Berhad) and several other private limited companies in the Berjaya Corporation group of companies.

His father, Tan Sri Dato' Seri Vincent Tan Chee Yioun, his uncle, Tan Sri Dato' Tan Chee Sing, and his brother, Rayvin Tan Yeong Sheik, are also members of the Board.



He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmlInvestment Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad as General Manager, Investments.

Currently, he is the Chief Executive Officer of Berjaya Capital Berhad and an Executive Director of Berjaya Sports Toto Berhad. He is the Chairman of Matrix International Berhad and Berjaya Holdings (HK) Limited, a Director of Berjaya Group Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad and International Lottery & Totalizator Systems Inc, United States of America and an alternate Director in Nexnews Berhad. He also holds directorships in several other private limited companies.

Chan Kien Sing is a member of Risk Management Committee of the Company.



He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He began his career with a predecessor firm of Messrs Ernst & Young where he worked for seven years until 1982 during which he qualified for entry as a member of the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Accountants. Thereafter, he joined the Corporate Advisory Department of Malaysian International Merchant Bankers Berhad where he was actively involved in a wide variety of corporate exercises in an advisory capacity until his departure in 1990 to join Berjaya Group Berhad.

He is currently the Chairman of Intan Utilities Berhad, an Executive Director of Berjaya Sports Toto Berhad, a Director of Berjaya Group Berhad, Nexnews Berhad, MOL.com Berhad, Berjaya Vacation Club Berhad and Informatics Education Ltd, Singapore. He also holds directorships in several other private limited companies.

Freddie Pang Hock Cheng is a member of Risk Management Committee of the Company.

## Profile of Directors



He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He graduated with a Bachelor of Science (First Class Hons) degree in Accounting and Finance from the London School of Economics, United Kingdom, in 2000.

He joined the Berjaya Group of Companies in May 2001 as Senior Manager (Corporate Affairs) of Kota Raya Development Sdn Bhd and Noble Circle Management Sdn Bhd. He was subsequently appointed to the position of General Manager (Corporate Affairs) of Sports Toto Malaysia Sdn Bhd in February 2002.

During his vocational training as a research intern with Jardine Fleming and Merrill Lynch & Co./Smith Zain Securities, he was involved in the field of research covering the various sectors of property, commodities, telecommunications and transport.

Currently, he is also a Director of Berjaya Group Berhad, Singer (Malaysia) Sdn Bhd, Taiga Building Products Ltd (Canada), Taiga Forest Products Ltd (Canada) and several other private limited companies.

His father, Tan Sri Dato' Seri Vincent Tan Chee Yioun, his uncle, Tan Sri Dato' Tan Chee Sing, and his brother, Dato' Robin Tan Yeong Ching, are also members of the Board.

Rayvin Tan Yeong Sheik is a member of Risk Management Committee of the Company.



She was appointed to the Board of the Company as an Executive Director on 15 September 2005.

She obtained her Bachelor degree in Economics (Accounting) from Monash University, Australia in 1982 and was subsequently admitted as a member of the Australian Society of Accountants.

She has over 20 years of working experience in the field of treasury and finance and has arranged varied and innovative type of financing structures and investments. Prior to joining the Treasury Department of Berjaya Group Berhad in 1989, she was attached to Sunway Group of Companies for 6 years and headed its Treasury Division.

Currently, she is also a Director of Berjaya Group Berhad and holds directorships in several private limited companies in the Berjaya Corporation group of companies.

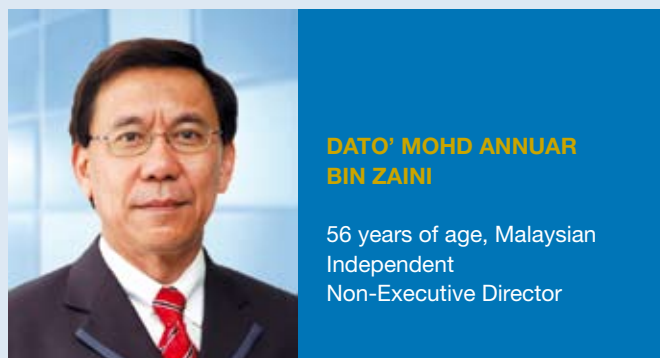


He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He furthered his education at Bunker Hill Community College, Boston USA. He began his career in Berjaya Group of Companies ("the Group") in 1986 as Business Development Manager and was the Senior General Manager (Corporate Services & Information) prior to his current appointment.

He has over 21 years of working experience in the Group and has played a major advisory role in the Group's projects in the field of privatisation, infrastructure, air transportation, recreational and hotel resort development. He also represented the Group effectively in corporate and governmental relations, negotiations and the Group's new business ventures.

Currently, he is also a Director of Berjaya Hills Berhad and Berjaya Group Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.



He was appointed to the Board of the Company on 15 September 2005.

He holds a Master of Arts in Law & Diplomacy from the Fletcher School of Laws & Diplomacy, Tufts University, United States of America and a Bachelor of Arts with honours in Economics from Universiti Kebangsaan Malaysia.

He began his career in the government service as an Administrative and Diplomatic Officer in 1977. He served the Malaysian Government at various ministries and departments and was the Senior Private Secretary to the Minister of Home Affairs from 1981 to 1986. From 1991 to 1993, he was the Principal Assistant Director of the Perak State Economic Planning Unit. In 1993, he was appointed General Manager of The Perak Foundation, a position he held until 1999, before he chose to take an optional retirement from the government service.

Since February 2004, he has been appointed the Chairman of Malaysian National News Agency (BERNAMA). Also in February 2004, His Royal Highness ("HRH") The Sultan of Perak consented his appointment as Member of the Council of Elders to HRH Sultan of Perak. He is a Distinguished Fellow to Institute of Strategic and International Studies ("ISIS") Malaysia and Fellow to Institut Sosial Malaysia. He is a member of the Board of Directors of Universiti Malaya, Chairman of the Management Committee University Malaya Medical Centre and a Member of the Advisory Board of the Public Complaints Bureau of the Prime Minister's department.

On the corporate sector, he is the Chairman of AWC Facility Solutions Berhad and he holds directorships in Malaysian Airline System Berhad, Linkedua (Malaysia) Berhad, Dijaya Corporation Berhad, U Telecom Media Holdings Sdn Bhd (formerly known as MiTV Corporation Sdn Bhd) and Berjaya Corporation group of companies and a few private limited companies. He is also the Group Corporate Advisor of TSH Resources Berhad and Multi Media Synergy Corporation Sdn Bhd.

## Profile of Directors



**DATO' SULEIMAN  
BIN MOHD NOOR**

77 years of age, Malaysian  
Independent  
Non-Executive Director

He was appointed to the Board of the Company on 15 September 2005.

He has 42 years experience in the State and Federal Civil Service. At Federal level, he was once posted to the Development Administration Unit of the Prime Minister's Department. His last posting prior to his retirement in 1984 was the State Secretary of Johor. He studied Development Economics at Cambridge University, England. Prior to his retirement, he took a course on Public Enterprise at Harvard University, USA.

He was the Chairman of Johor Port Authority, Ministry of Transport from 1985 to 1993 and is affiliated to many social organisations namely as a Patron of Johor Life Saving Society, a trustee of Yayasan Sultan Iskandar, Johor and currently served as the Chairman of its Scholarship Board.

Dato' Suleiman Bin Mohd Noor is the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.



**TAN SRI DATUK ABDUL  
RAHIM BIN HAJI DIN**

68 years of age, Malaysian  
Independent  
Non-Executive Director

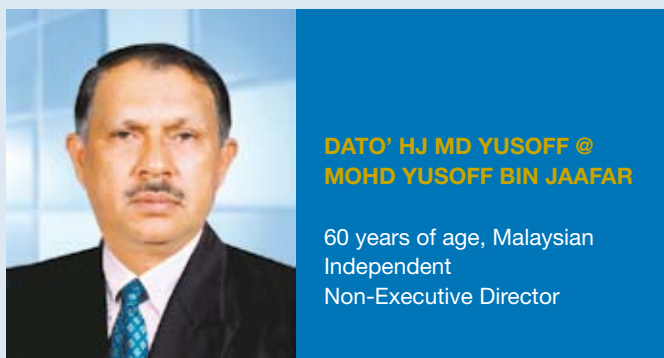
He was appointed to the Board of the Company on 15 September 2005.

He graduated with a degree in Bachelor of Arts from Universiti Malaya in 1963 and obtained his Master of Business Administration from the University of Detroit, United States of America in 1976.

Prior to joining Berjaya Group Berhad, he served as the Secretary-General in the Ministry of Home Affairs from 1992 until his retirement in September 1996. From 1987 to 1991, he was the General Manager of the Employees Provident Fund before becoming the Deputy Group Chief Officer of Permodalan Nasional Berhad, a post he held from 1991 to 1992.

He also holds directorships in several other private limited companies.

Tan Sri Datuk Abdul Rahim Bin Haji Din is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

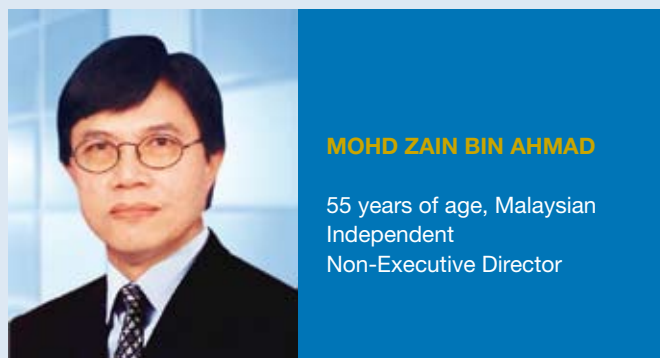


Dato' Hj Mohd Yusoff Bin Jaafar was appointed to the Board of the Company on 15 September 2005.

He graduated from the University of Science Malaysia, Penang in 1978 with a Bachelor of Social Science (Hons) degree majoring in Political Science and a minor in Ethnic Relations.

He began his 34-year career with the Royal Malaysian Police Force as a trainee Probationary Inspector in 1969. He was selected to the Special Branch Department the following year where he held various commanding positions. Between 1983 and 1990, he was Head of the Special Branch in Terengganu before being seconded to the Head Office at Bukit Aman, Kuala Lumpur, where he served for a period of 2 years. He was then posted to the Special Branch Training Institution, Jalan Gurney, Kuala Lumpur as a Commandant before his promotion as Deputy Chief Police Officer of Pulau Pinang and Pahang. Prior to his retirement in May 2003, he was in Terengganu as the Chief Police Officer of the State and his last commanding post in the police was as the Commissioner of Police, Sarawak. He is also actively involved in various community organisations and has served as the Special Advisor to the Ministry of Social Development and Urbanisation Sarawak.

Dato' Hj Mohd Yusoff Bin Jaafar is a member of the Audit Committee of the Company.



Mohd Zain Bin Ahmad was appointed to the Board of the Company on 15 September 2005.

He holds a Bachelor of Laws degree from the University of Buckingham, England and a Certificate in Legal Practice. He also holds Diplomas in Syariah Law & Practice from International Islamic University Malaysia and Public Administration from Universiti Teknologi MARA.

He began his career with the Royal Malaysian Police Force as a police inspector in 1971. He was promoted to Assistant Superintendent of Police in 1980 and served until 1986. He was admitted as an Advocate and Solicitor of the High Court of Malaya on 25 October 1986 and is currently a practicing solicitor.

Save as disclosed, none of the Directors have:-

1. Any family relationship with any directors and/or major shareholders of the Company;
2. Any conflict of interest with the Company; and
3. Any conviction for offences within the past 10 years other than traffic offences.

# Chairman's Statement and Review Of Operations



Japanese Village, Berjaya Hills, Pahang.

Berjaya Redang Beach & Spa Resort, Terengganu.

**On behalf of the Board of Directors of Berjaya Corporation Berhad (“BCorp”), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2007.**



Berjaya Tioman Beach, Golf & Spa Resort, Pahang.

## FINANCIAL RESULTS

For the year ended 30 April 2007, the Group registered a revenue of RM3.02 billion (comprising RM2.21 billion from continuing operations and RM0.81 billion from discontinued operations) as compared to a revenue of RM2.73 billion (comprising RM1.89 billion from continuing operations and RM0.84 billion from discontinued operations) in the previous year. The higher revenue was mainly due to improved sales recorded by the Group's property, financial services, consumer marketing and hotel & resort businesses.

The turnaround in profitability from a RM562.3 million pre-tax loss in the previous year (comprising RM538.8 million from continuing operations and RM23.5 million from discontinued operations) to a pre-tax profit of RM215.3 million (comprising pre-tax profit of RM222.6 million from continuing operations and pre-tax loss of RM7.3 million from discontinued operations) for the year under review was mainly due to higher profit

contribution from the financial services, manufacturing, consumer marketing and property segments and realised gains from the disposals of investments in Gribbles Pathology (Malaysia) Sdn Bhd and Dunham-Bush (Malaysia) Bhd, notwithstanding the impairment of goodwill and value of certain investments during the year.

The previous year's results had also included a Group restructuring cost of RM384.5 million and impairment of goodwill on consolidation of RM289.5 million.

The financial year ended 30 April 2007 had been eventful for the Group following the completion of the Group's restructuring exercise in January 2006. With a recapitalized capital base and the resolution of its inter-company debts, the Group had been able to focus on expanding its businesses abroad in a significant way and capitalizing on the Group's expertise in countries within the Asia Pacific region which are experiencing higher economic growth.



Signing of MOU between representatives from Dong Nai's Provincial Government, Vietnam and Berjaya Land Berhad, Salcon Engineering Berhad and NV Multi Corporation Berhad on 9 November 2006. The event was witnessed by YB Dato' Sri Chan Kong Choy, Minister of Transport Malaysia.

Thus far, the Group had entered into several joint ventures, Memoranda of Agreement ("MOAs") and Memoranda of Understanding ("MOUs") in high economic growth countries such as Vietnam, China and Thailand to undertake various property related developments, infrastructure and hotel and resort projects with a total Gross Development Value ("GDV") in excess of RM30 billion. The long term prospect of the Group looks promising as it stands to gain much when these projects are implemented.

### Dividend

No dividend had been declared in respect of the financial year ended 30 April 2007 (2006: Nil).

### Significant Corporate Developments

(a) On 19 September 2006, Berjaya Group Berhad, a wholly-owned subsidiary of the Company, completed the disposal of approximately 19.4 million ordinary shares of RM1.00 each representing 42.77% of the equity interest in Gribbles Pathology (Malaysia) Sdn Bhd for a total cash consideration of RM23 million.

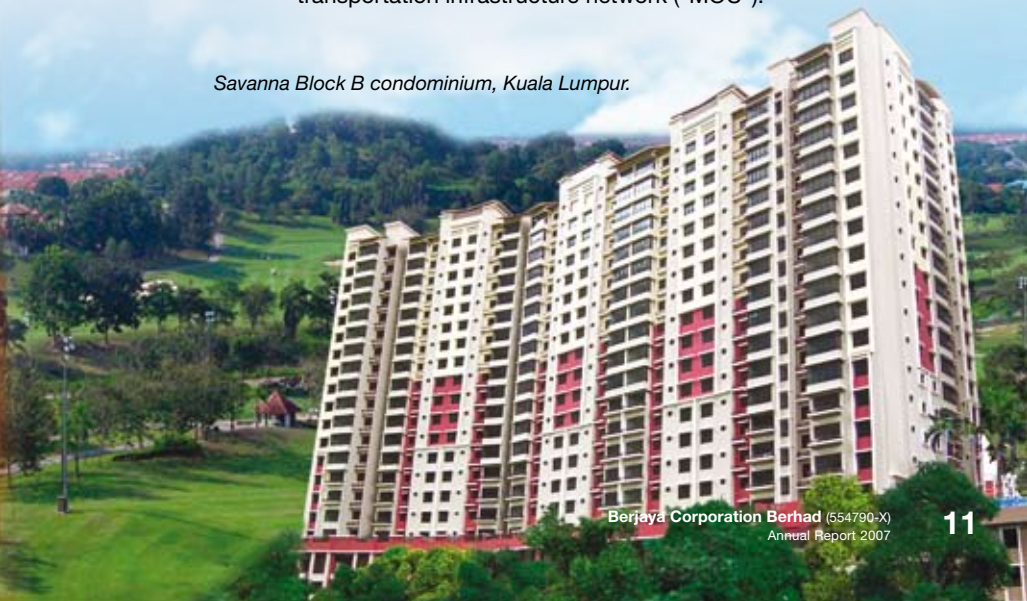
*StemLife laboratory at Jalan Yap Kwan Seng, Kuala Lumpur.*



(b) On 19 October 2006, the Company announced that its wholly-owned subsidiary of the Group, Juara Sejati Sdn Bhd had on 17 and 18 October 2006 acquired an aggregate of 20.63 million ordinary shares of RM0.10 each representing 12.5% equity interest in StemLife Berhad ("StemLife"), a company listed on the MESDAQ Market of the Bursa Malaysia Securities Berhad ("Bursa Securities"), for a total cash consideration of approximately RM12.9 million or at an average price of RM0.625 per share. StemLife is the first stem cell bank and therapeutics company in Malaysia. It provides essential hematological and therapeutic services in collaboration with specialists and medical institutions for the treatments of prevalent diseases such as cancer, thalassaemia, heart disease, chronic wounds and trauma injuries. It has the largest private stem cell bank in South East Asia with more than 10,000 cumulative cord blood stem cell samples.

(c) On 9 November 2006, Berjaya Land Berhad ("B-Land") announced that it had entered into a Memorandum of Understanding with Tin Nghia Co Ltd, Vietnam ("TNCo") to establish a formal relationship to undertake the co-development of the district of Nhon Trach (within the Dong Nai Province, Vietnam) ("Nhon Trach District"), inclusive of its transportation infrastructure network ("MOU").

*Savanna Block B condominium, Kuala Lumpur.*



## Chairman's Statement and Review Of Operations

The total estimated development area is approximately 101,313 acres (41,000 hectares) and the new Long Thanh airport is located in the east of the proposed development area.

Upon the execution of the MOU, the company was given six months to undertake a feasibility study on the Project. On 17 May 2007, the company announced that the duration of the MOU has been extended for a further period of six (6) months.

TNCo is a state-owned enterprise of Dong Nai Province which is engaged in a multitude of business activities in Vietnam for and on behalf of the People's Party of Dong Nai Province and it intends to develop the Nhon Trach District into a provincial city status by the year 2015.

(d) On 13 December 2006, B-Land announced that the shareholders had approved the proposed subscription of 51% of the enlarged registered capital of RMB890.0 million in Berjaya (China) Great Mall Co. Ltd ("GMOC") for a total cash consideration of RMB453.9 million (approximately RM211.1 million) by its wholly-owned subsidiary, Berjaya Leisure (Cayman) Limited ("BLCL"). BLCL has completed the first subscription of RMB49.08 million shares representing 51% of the equity interest in GMOC.

(e) On 16 January 2007, B-Land announced that its wholly-owned subsidiary, BLCL had entered into a joint venture contract with Hanoi Housing Investment & Development Joint Stock Co. No. 12, Vietnam ("Handico 12") for the establishment of a new joint venture company known as "Berjaya-Handico 12 Co., Ltd" ("JV Co") to jointly undertake the development of a parcel of land in Hanoi City, Vietnam ("Joint Venture").

The Joint Venture is to develop a mixed residential and commercial development together with social and technical infrastructure facilities known as Berjaya-Handico 12 Residential and Commercial Project ("Project") on a parcel of land measuring approximately 31 hectares (about 76 acres) located in Thach Ban Ward, Long Bien District, Hanoi City,



*Tan Sri Dato' Seri Vincent Tan, Chairman/CEO of Berjaya Corporation Berhad exchanging document with Mr Keishiro Kinoshita, Managing Executive Officer of Berjaya Sompo Insurance Inc. at the signing of agreement on the strategic alliance on 11 December 2006.*

Vietnam. The estimated total GDV of the Project is about VND4,700 billion (equivalent to RM1.03 billion).

On 22 February 2007, B-Land announced that approval has been obtained from the Licensing Authority of Vietnam for the Joint Venture and on 26 March 2007, B-Land further announced that it received approval from Bank Negara Malaysia for the remittance of funds to the JV Co.

On 12 April 2007, pursuant to the Joint Venture, BLCL contributed US\$4.4 million (about RM15.1 million) representing 80% of the initial Charter Capital of the JV Co.

(f) On 22 January 2007, Berjaya Capital Berhad ("BCapital") announced that it had completed its disposal of 35.4 million ordinary shares of RM1.00 each, representing 30% equity interest in Berjaya Sompo Insurance Berhad ("BSI") (formerly known as Berjaya General Insurance Berhad) for a total cash consideration of RM101 million to Sompo Japan Insurance, Inc ("Sompo Japan"). The strategic alliance between BCapital and Sompo Japan, second largest insurance company in Japan with worldwide operations and networks, will position BSI on a stronger footing to better compete with the bigger regional and international players in the industry.

*The Great Mall of China, a mixed development project comprising retail, entertainment and theme parks including a water park.*

*A proposed residential development at Berjaya-Handico 12, Thach Ban Ward, Long Bien District, Hanoi, Vietnam.*





*The proposed Vietnam Financial Centre, Ho Chi Minh City, Vietnam, is a mixed commercial development with offices, shopping malls, a 5-star hotel and service suites.*

- (g) On 27 March 2007, B-Land announced that it had on 25 March 2007 entered into an MOU with Ky Hoa Tourist Trading Company Ltd, Vietnam ("Ky Hoa") to collaborate on the proposed development of a parcel of land measuring approximately 66,721 sq meters (16.49 acres) in Ho Chi Minh City into a mixed commercial development as a financial centre with offices, shopping malls, a 5-star hotel and service suites ("KyHua Project"). The estimated GDV of the KyHua Project is US\$700 million (equivalent to about RM2.4 billion).

B-Land was granted a period of three (3) months from the execution of the MOU to complete the feasibility study of the KYHua Project.

On 27 June 2007, B-Land announced that it is still in the midst of undertaking the feasibility study on the KyHua Project. As such, the parties involved have mutually agreed to extend the deadline for the signing of the MOA or investment agreement by a further three (3) months.

- (h) On 27 March 2007, the Company announced that it had on 25 March 2007, entered into a Memorandum of Understanding ("MonorailMOU") with Ho Chi Minh City Department of Transport and Urban Public Works, Vietnam ("HCMCTransportDept") to undertake a feasibility study on the viability of operating, constructing and financing the construction of a modern and effective monorail system in Ho Chi Minh City, Vietnam ("MonorailProject"). HCMCTransportDept has granted the Company a period of six months from the MonorailMOU execution date to complete the feasibility study on the MonorailProject. The Company is required to commence work within one year upon obtaining approval from the Ho Chi Minh City People's Committee.
- (i) On 30 March 2007, B-Land announced that it had on 27 March 2007 entered into a MOA with NH Corporation, Vietnam ("NHC") and Cong Ty D2D, Vietnam ("D2D") for the establishment of a formal relationship with the intention to jointly develop, design, construct, manage, and operate a mixed use office-commercial-residential complex with buildings ("Project") on a parcel of land at Thong Nhat Ward, Bien Hoa City, Dong Nai Province, Vietnam measuring approximately 2.13 hectares (or 5.26 acres).

Upon approval from the relevant authorities, B-Land, NHC and D2D will establish a limited liability company in Vietnam to be named as BLB-D2D Company Limited, Vietnam ("JVCo"). The proposed ownership structure of the JVCo between the parties will be B-Land (74% interest), NHC (2% interest) and D2D (24% interest).

On 13 September 2007, B-Land announced that the parties involved have mutually agreed to further extend the signing of the Joint Venture Contract ("JVC") by another sixty (60) days as the terms and conditions for the JVC and the charter capital are still being finalised.

*A proposed commercial development at Berjaya-Handico 12, Thach Ban Ward, Long Bien District, Hanoi, Vietnam.*

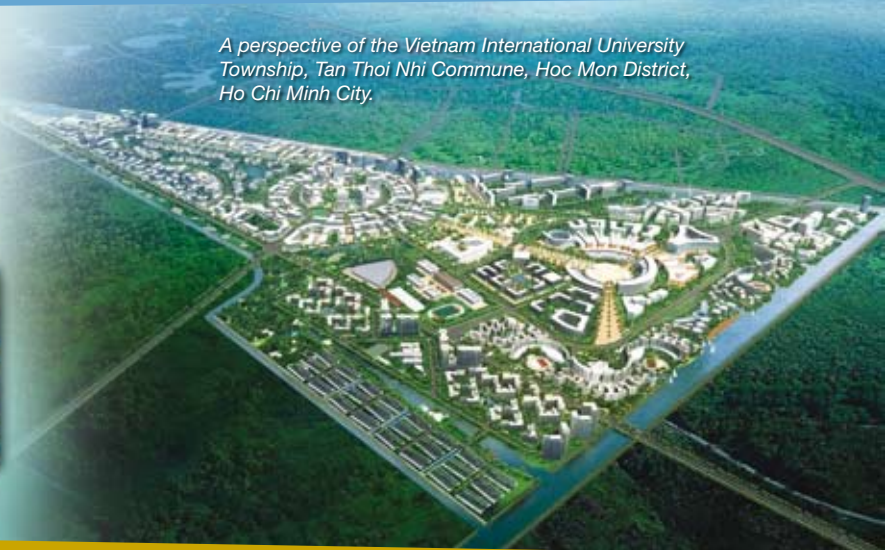


*Signing of MOA between Berjaya Land Berhad, represented by CEO, Dato' Francis Ng, and Northwest Metropolitan Area Authority of Ho Chi Minh City represented by its Chairman, Nguyen Van Thanh, on 1 August 2007.*

Household detergents from Cosway.



A perspective of the Vietnam International University Township, Tan Thoi Nhi Commune, Hoc Mon District, Ho Chi Minh City.



(j) On 30 April 2007, the Group completed the divestment to Agromash Holding B.V. of all their 51.57 million ordinary shares representing 56.75% of the equity interest in Dunham-Bush (Malaysia) Bhd for a total cash consideration of approximately RM180.5 million.

(k) On 4 June 2007, Cosway Corporation Berhad ("CCB") was voluntarily withdrawn from the Official List of Bursa Securities pursuant to Paragraph 16.04 of the Listing Requirements of Bursa Securities ("CCB De-listing"). To facilitate the CCB De-listing, the Company, via its wholly-owned subsidiary company, Global Empires Sdn Bhd ("GESB"), made a voluntary general offer ("CCB-VGO Acquisition") to acquire all the remaining ordinary shares of RM1.00 each in CCB which were not already owned by GESB, Bizurai Bijak (M) Sdn Bhd ("BBSB"), Garima Holdings Sdn Bhd ("GHSB") and Juara Sejati Sdn Bhd ("JSSB"), all of which are wholly-owned subsidiary companies of the Group, at a cash offer price of RM1.20 per share.

At the close of the CCB-VGO Acquisition on 21 May 2007, the Company announced that GESB managed to acquire 96.96 million ordinary shares in CCB and on even date GESB, BBSB, GHSB and JSSB owned a total of 331.04 million ordinary shares in CCB representing an equity interest of 96.11% in CCB.

(l) On 4 June 2007, the Company announced that Berjaya Group (Cayman) Limited ("BGCL"), wholly-owned subsidiary company of Berjaya Group Berhad completed its disposal of 19.4 million Roadhouse Grill, Inc ("RHG") shares representing its entire interest of approximately 66.53% in RHG to RHG Acquisition Corporation ("RHG Corp") for USD0.56 million (approximately RM1.91 million) ("RHG Disposal") on 31 May 2007.

The sale consideration is satisfied by an issue of promissory notes of USD0.56 million.

As part of the RHG Disposal, BGCL will acquire from RHG the intellectual property rights in certain countries in Asia and in the Middle East for a consideration of USD2.0 million (approximately RM6.79 million).

(m) On 12 April 2007, the Company announced that it had on 10 April 2007, entered into a MOA ("LongThanhMOA") with TNC Co, Vietnam to jointly develop and manage an industrial park measuring approximately 496.7 acres known as An Phuoc 1 Industrial Park at Long Thanh District, Dong Nai Province, Vietnam ("Original Project"). The total land bank to be developed is approximately 201 hectares (496.7 acres). The Company and TNC Co intend to establish a limited liability company to undertake the Original Project.

On 13 June 2007, the Company announced that in addition to the Original Project, it is undertaking a feasibility study on the proposed joint development of additional land of approximately 74.22 hectares (183.41 acres) at Long Thanh District, Dong Nai Province, Vietnam. The revised total land bank to be developed is approximately 275.22 hectares (680.11 acres). In view of this, the entering into the joint venture agreement had been extended from within 60 days of signing of the LongThanhMOA to 150 days.

(n) On 25 June 2007, the Company announced that Berjaya Corporation (Cayman) Limited ("BCCL"), a wholly-owned subsidiary company of the Group, had on 22 June 2007 entered into a MOU with the Construction Bureau of Sanshui District, Foshan City ("CBSD"), People's Republic of China, to collaborate on a sanitary landfill development project in Sanshui District. The project is proposed to be wholly developed and managed by BCCL.

(o) During the financial year, an aggregate repayment of inter-company advances of RM487.9 million was made by B-Land to Berjaya Sports Toto Bhd ("B-Toto"). After the year end, on 22 June 2007 and 30 July 2007, further repayments of RM26.7 million and RM49.4 million were made by B-Land respectively. With these repayments, B-Land had fully settled all the outstanding inter-company advances to B-Toto.

(p) On 3 August 2007, B-Land announced that it had on 1 August 2007 entered into a MOA with Northwest Metropolitan Area Authority ("NWMAA") of Ho Chi Minh City, Vietnam to collaborate on a proposed development of a parcel of land of approximately 880 hectares (about 2,175 acres) in Tan Thoi Nhi Commune, Hoc Mon District, Ho Chi Minh City, Vietnam into a mixed used development for a university township. The project will be wholly developed and managed by B-Land over a period of eight to ten years with a GDV of US\$3.5 billion (approximately RM12.1 billion) which will comprise, amongst others, universities, colleges, schools, residential and commercial developments, recreation and sports centre, medical facilities and an information technology park ("Proposed Project").

B-Land has been granted a period of twelve (12) months from the date of execution of the MOA to complete the feasibility on the zoning blue print and to discuss and finalize the terms and conditions of the Proposed Project with NWMAA.

(q) On 10 August 2007, B-Land announced that its wholly-owned subsidiary, BLCL had on 9 August 2007 entered into a joint venture contract with Le Thi Chi Proprietorship ("LTCP") and Long Beach Joint Stock Company ("LBJSC") for the establishment of a new joint venture company ("JVCo") to jointly own, operate and manage a resort hotel in Phu Quoc District, Kien Giang Province, Vietnam.

LTCP is currently constructing a 5-star resort hotel on a parcel of land measuring in total approximately 24,000 sq meters (or about 5.93 acres) in Phu Quoc Island at Cua Lap Hamlet, Duong To Commune, Phu Quoc District, Kien Giang Province, Vietnam to be known as "Long Beach's Ancient Village" (the "Hotel").

The Hotel is currently in its final stages of construction and is expected to be ready for its soft opening by end September 2007.

The total investment capital for JVCo shall be about US\$14.14 million, of which about US\$11.04 million (or about RM38 million) shall comprise the charter capital and the balance about US\$3.1 million shall comprise the loan capital. BLCL shall hold a 70% interest in the JVCo, LTCP a 25% interest and LBJSC a 5% interest.

(r) On 15 August 2007, B-Land announced that its two wholly-owned subsidiaries, Noble Circle (M) Sdn Bhd and Sinar Merdu Sdn Bhd have entered into two separate conditional sale and purchase agreements with Makna Mujur Sdn Bhd and Revenue Point Sdn Bhd respectively for the proposed disposal of its residential and commercial properties in KL Plaza, Jalan Bukit Bintang, Kuala Lumpur for a total cash consideration of RM470.55 million ("Proposed Disposals").

The properties under Noble Circle were disposed to Makna Mujur Sdn Bhd for a total cash consideration of RM425.50 million which comprised of a gross built-up area of 421,632 sq feet of the retail units in the 5-storey shopping podium, the Food & Beverage block with a gross built-up area of 45,000 sq feet, a 10-storey office tower block with a gross built-up area of 110,900 sq feet and a 3-storey car park lot with a gross built-up area of 212,700 sq feet.

The Sinar Merdu properties were sold to Revenue Point Sdn Bhd for RM45.05 million which comprised of 59 units of furnished 2- and 3-bedroom apartments.

The Proposed Disposals will provide an opportunity to B-Land to realize the substantial surpluses totaling about RM260.0 million and redeploy the net proceeds of some RM468.0 million towards repayment of borrowings and working capital purposes. The net assets per B-Land share will increase by about 16 sen and its borrowings will be reduced by about RM192.0 million resulting in an annual interest savings of RM16.0 million.



Cosway's healthcare supplements.

Innovative beverages from Starbucks Coffee.

The Proposed Disposals are subject to the approvals of Foreign Investment Committee, Jawatankuasa Kerja Tanah Negeri Wilayah Persekutuan and Bank Negara Malaysia.

- (s) On 23 August 2007, BCapital was voluntarily withdrawn from the Official List of Bursa Securities pursuant to Paragraph 16.04 of the Listing Requirements of Bursa Securities ("BCapital De-Listing"). To facilitate the BCapital De-listing, Berjaya Group Berhad, Bizurai Bijak (M) Sdn Bhd and Juara Sejati Sdn Bhd (collectively known as the "BCap Offerors"), all of which are wholly-owned subsidiary companies of the Group, had on even date served a Notice of Offer to acquire all the remaining 52.5 million BCapital shares, representing 38.55% of the issued and paid-up share capital of BCapital not already owned by the BCap Offerors at a cash price of RM3.00 per BCapital share ("BCapital-VGO Acquisition").

On 30 August 2007, BCapital paid a net special dividend-in-specie of 60% (about 82% less tax 27%) per BCapital share through the distribution of about 408.9 million existing BCorp ICULS of RM0.50 nominal amount valued at RM0.20 per BCorp ICULS i.e at a rate of 3 BCorp ICULS for each BCapital share.

### REVIEW OF OPERATIONS

#### Financial Services

##### Stockbroking

During the year under review, the Kuala Lumpur Composite Index surged by 39.3% to close at 1,322.2 points on 30 April 2007 compared to 949.2 points on 30 April 2006. In tandem with the improved stock market performance, the overall value of transactions on Bursa Securities rose by 92.1% to RM415 billion as compared to RM216 billion in the previous financial year.

*The Berjaya-Handico 12 Residential and Commercial Project in Hanoi, Vietnam.*



*The maiden launch of three unit trust funds by Inter-Pacific Asset Management Sdn Bhd on 25 July 2007. The event was graced by YB Dato' Dr Ng Yen Yen, Deputy Minister of Finance I.*

Inter-Pacific Capital Sdn Bhd ("IPC") reported a pre-tax profit of RM63.8 million for the financial year ended 30 April 2007 compared to RM76.8 million previously. The decrease was mainly due to the inclusion of an exceptional gain from the sale of Eng Equities Sdn Bhd's (formerly known as Eng Securities Sdn Bhd) stockbroking licence to MIDF in the previous financial year. In line with the jump in transactions on Bursa Securities, the year's revenue improved by 77.9% to RM72.4 million from RM40.7 million previously.

On 12 February 2007, Inter-Pacific Securities Sdn Bhd ("IPS") relocated its Penang office to the Ground, Mezzanine and 8<sup>th</sup> floor of Bangunan Mayban Trust. The viewing gallery, now located on the ground floor provides greater convenience and easy accessibility to clients and the public.



Directors from Berjaya and Sompo Japan at a dinner held in conjunction with the strategic alliance between the two companies on 19 March 2007.

Subsequent to the year end, on 25 July 2007, Inter-Pacific Asset Management Sdn Bhd ("IPAM"), a wholly-owned subsidiary of IPS, marked its entry into the local unit trust industry with the launch of three unit trust funds – RM100 million InterPac Dana Safi, RM100 million InterPac Dynamic Equity Fund and RM150 million InterPac Cash Fund. IPAM is the first company in Malaysia to offer unit trust funds with 0% sales charge or upfront fee to investors.

While the overall economic indicators continue to unveil a more favourable economic outlook for 2007/08, uncertainties on the global front, primarily emanating from the US market may have some dampening effect on our bourse. Nevertheless, the implementation of prudent domestic policies and our sound macroeconomic fundamentals will enable the equity market to withstand shocks arising from the external front. On that note, IPC remains optimistic on the outlook for the stockbroking industry. In view of the foregoing, IPC anticipates that, barring unforeseen circumstances, its financial performance for the current financial year ending 30 April 2008 will continue to remain profitable.

### General Insurance

For the financial year, Berjaya Sompo Insurance Berhad ("Berjaya Sompo") (formerly known as Berjaya General Insurance Berhad) recorded a profit after tax of RM67.6 million as compared to RM36.8 million in the previous year mainly due to higher interest and investment income.

The company's gross premium grew by 7.2% to RM269.6 million. Underwriting profit of RM3.3 million was lower than the previous year's of RM9.7 million. The claims ratio rose slightly to 68.40% from 63.96% in the previous year.

As at 30 April 2007, total assets strengthened to RM552.3 million from RM476.7 million in 2006 and shareholders' funds improved to RM206 million as compared to RM166.4 million in the previous year.

During the year, Berjaya General Insurance Berhad (now known as Berjaya Sompo) embarked on a strategic alliance with Sompo Japan, Inc, second largest insurance company in Japan with worldwide operations and networks to enhance its presence in the general insurance industry in Malaysia.

Berjaya General Insurance Berhad will be able to leverage on Sompo Japan's international expertise to achieve a higher level of competitiveness, widen its client base and increase its market share in the industry.

Berjaya Sompo's strength lies in its extensive and well organized marketing and network services. Whilst the company has made significant progress, further growth and underwriting profitability

is anticipated to be achieved through the innovative new products, improvement in processes and continuous analysis of its core line of businesses.

### Hotels & Resorts Development

In a bid to realize Malaysia as a global tourist destination, the Government has launched the Visit Malaysia Year ("VMY") 2007 campaign in conjunction with the golden jubilee of the nation's independence which is seen as a timely initiative as it will help to enhance and internationalise Malaysia's brand image aimed to draw tourists both locally and internationally.



Berjaya Sompo's promotional leaflets.

## Chairman's Statement and Review Of Operations

In anticipation of the campaign, Berjaya Hotels and Resorts ("BHR") has geared up to welcome the Government's target of an influx of 20.1 million tourists in 2007. To meet this rising demand, BHR has stepped up its marketing strategies and promotions and refurbished, renovated and upgraded its hotels and resorts and also its facilities as well as focusing on its targeted market segments.

On the whole, all our hotels and resorts showed improvement in revenues. The boost in BHR's operating results in the financial year under review was mainly attributed to a strong global economy, active room yield management, introduction of new products in its beach resorts as well as aggressive advertising, marketing and promotional activities to reinforce BHR's branding in the local and regional market. In addition, our e-business has shown encouraging growth with the re-launch of BHR's website, [www.berjyahotels-resorts.com](http://www.berjyahotels-resorts.com) with booking engine capabilities.

BHR recorded a revenue increase of 10% to RM254 million for the financial year ended 30 April 2007. The higher revenue was achieved as a result of an overall increase in occupancy level to 60% and an improvement of 8.4% in average room rates. This also translated to a higher growth in earnings before interest, tax, depreciation and amortization ("EBITDA") of 28% to RM42 million during the year.

Despite stiff competition, our hotels and resorts in Malaysia achieved better performance with a 12% growth in revenue. The revenue growth mainly came from our city hotel, Berjaya Times Square Hotel & Convention Centre ("BTSH") which recorded a 11.1% improvement and our beach resorts, Berjaya Langkawi Beach & Spa Resort and Berjaya Redang Beach Resort which recorded a growth of 30% and 34.4% respectively.

BTSH recorded improvement in spite of a reduced room inventory to 610 due to the termination of leaseback programme by certain suite owners. Hotel occupancy was 63% and average room rate was up by 16%.

With the additional 102 new premier land and water chalets in Berjaya Langkawi Beach & Spa Resort, the resort's total revenue grew by 28.4%. Hotel occupancy rate was 61% whilst the average room rate increased by 14%. The resort enjoyed high patronage from the United Kingdom, Australian and German markets.

At the same time, the resort also recorded increased sales from corporate meetings and conventions for its banquet and function rooms.

Regardless of the three-month closure during the monsoon season, Berjaya Redang Beach Resort registered a revenue growth of 34.4% mainly due to the attractive special packages offered for the new 60 units of Redang Hillview and 48 units of Redang Seaview rooms. Occupancy rate was 58% and

average room rate improved by 16%.

Our overseas resorts in Seychelles did well with total revenue improving by 24% and occupancy rate increasing to 48% from 34% last year. Our resorts in Seychelles contributed 21% of BHR's total revenue resulting from a strong marketing programme and support from the local government which actively promotes its tourism industry to the overseas market.

Berjaya Eden Park Hotel in London posted a 21% growth in revenue and enjoyed an occupancy rate of 83% and higher demand from its e-business and travel agents' segments. Similarly, Berjaya Hotel Singapore's occupancy improved from 62% to 67% and average room rate increased by 25% mostly from the higher yield corporate individual market.



*Berjaya Langkawi Beach & Spa Resort, Kedah.*



*Berjaya Redang Beach & Spa Resort, Terengganu.*

During the financial year under review, Berjaya Palace Hotel, Sabah has been disposed of.

In line with BHR's mission to create a memorable experience to its customers everyday, we will continuously focus in elevating our service standard by introducing customized training programs for all levels of employees. Focus is also given to refurbishment and upgrading works at our properties to improve the quality of BHR's products and facilities. In addition, BHR is now concentrating on new advertising campaigns and exciting joint ventures with key industry partners.

**Berjaya Hills** is Malaysia's largest leisure project spanning approximately 15,800 acres in Bukit Tinggi, Bentong, Pahang and about 45 minutes' drive from Kuala Lumpur. Berjaya Hills is involved in the development and managing of resort hotels, leisure, recreational and entertainment related facilities and residential development projects.

With all its amenities, Berjaya Hills is a well-organized, safe and stimulating environment, dotted with an 18-hole Championship Golf Course, Golf & Resort Club House, 27 units of Golfer Suites, Sports Complex, hotels and suites namely Colmar Tropicale French Village, Japanese Village, Tatami Spa; Botanical Garden, Rabbit Park, Horse Riding and also new amenities such as the newly-completed Le Chaveliar Convention Centre and Chateau Spa & Wellness Resort, a French-themed boutique spa hotel.

During the financial year under review, Colmar Tropicale, the French-themed resort, recorded an improvement in total revenue and the occupancy rate increased to 45% from 42% in the previous financial year. The increase in revenue was mainly contributed by the food and beverage operations particularly from the banqueting and *Le Poulet Roti* restaurant.

Our room bookings from the e-business portal have shown positive growth as compared to last year following joint efforts with the BHR Division to promote the resort. During the year, our resort enjoyed strong bookings from corporate meetings, convention and the Government sectors.

However, Berjaya Hills Golf & Country Club recorded a marginally lower revenue as compared to the previous year mainly due to fewer golf tournaments organized at the club. Steps have been taken to

improve the condition of the golf course and the golf buggy facilities to attract more golfers to play at the course.

In view of the increasing demand in meeting and convention from corporate clients and the Government sector, Berjaya Hills has increased the capacities of its meeting and function rooms and recently completed the second Convention Centre - Le Chevalier Convention Centre which boasts of a 14,500 sq. feet ballroom and 6 function rooms. Our French-themed boutique spa hotel, The Chateau Spa & Wellness Resort, featuring the luxurious 18th century renaissance interior design concept with 212 exquisitely furnished rooms and special spa treatment is scheduled to open in the last quarter of 2007.

At Berjaya Hills, there are also 317 bungalow lots available for sale to those who prefer to build their own dream Villa and enjoy a cool resort styled living.

The forthcoming condominium project is sited on a smaller hillock and forms part of the beautiful, lushly landscaped Berjaya Hills. It is 2,600 feet above sea level with mist-shrouded mountain views that exude a luxurious country atmosphere. The suites offer the best in quality, style and comfort and are ideal for those who seek a sanctuary of tranquility, security and total privacy.

Comprising two blocks of 12 storeys, the project has a total of 368 units of suites boasting stylish designs and complete with modern amenities, facilities and furnishings for maximum comfort.

### **Vacation Timeshare**

For the financial year under review, Berjaya Vacation Club Berhad ("BVC") reported a lower revenue of RM26.36 million, compared to RM31.59 million in the previous financial year mainly due to the maturity stage and slowdown in the time sharing industry.

*Berjaya Hills, Bukit Tinggi, Pahang.*



Golf course at Kelab Darul Ehsan, Selangor.



Golfers' terrace at Bukit Jalil Golf & Country Resort, Kuala Lumpur.

As an incessant effort to improve its value added service to members, BVC's customer service has undergone a major uplift to present a more professional look. Rigorous on-going staff training from the lower to management level had also been conducted throughout the year under review. In its quest to provide more locations for members' vacations, BVC has also increased its affiliated resorts to 120 locations from 114 locations last year covering Malaysia, Indonesia, Australia and Hong Kong.

Moving forward, BVC plans to restructure its staff force by increasing the number of sales personnel to capture a wider market reach. BVC's pricing policy will also be changed in line with BHR's new rate structure and refurbishment plan. Renovations and refurbishments are also being carried out to make available more quality rooms for members.

### Clubs & Recreation

During the financial year under review, the Clubs and Recreation Division ("the Clubs") recorded a marginal decline in revenue from RM51.0 million in the previous year to RM47.8 million this year mainly due to the outsourcing of the food & beverage business at the Clubs and slowdown in membership recruitment.

For the financial year ended 30 April 2007, the Clubs recruited a total of 565 members compared to 759 members in the previous financial year. Total membership as at the financial year end for all five golf and recreation clubs were 21,525 members, of which half are golf members.

Moving forward, the Clubs will continue to improve its performance with innovative sales and marketing activities as well as maintaining a competitive pricing strategy in its membership recruitment drive. The Clubs will also continue to improve its operations, enhance the quality of service and further upgrade its recreational facilities especially the golf courses.



The new Berjaya Air hangar cum engineering office will enable it to operate more economically and efficiently.

### Berjaya Air Sdn Bhd

For the financial year ended 30 April 2007, Berjaya Air Sdn Bhd ("Berjaya Air") achieved a marginally higher revenue of RM28.1 million as compared to RM27.9 million in the previous financial year.

In April 2007, Berjaya Air completed the building of its own hangar cum engineering office with a floor area of approximately 4,355 sq-metre which will enable the company to operate more economically and efficiently.

Berjaya Air is also in the process of finalizing the sourcing of a reservation system that provides e-Ticketing solution by December 2007 as required by the International Air Transport Association. The system will also provide seat inventory control and departure control system which will benefit Berjaya Air tremendously.

In June 2007, Berjaya Air announced that it has proposed to purchase four units of the latest generation of turboprop aircraft, the ATR 72-500 for US\$74 million which are scheduled to be delivered in the year 2009 and 2010. The aircraft will replace Berjaya Air's existing fleet of 48-seater Dash-7 aircraft. The new aircraft will not only improve Berjaya Air's financial performance in terms of lower



Berjaya Megamall in Kuantan, Pahang.

maintenance cost and higher seating capacity, it will also allow Berjaya Air to expand its reach to other parts of the Asian region.

## PROPERTY INVESTMENT

The occupancy rates for the Group's investment properties for the financial year 2007 and comparative figures for 2006 were as follows:

Property	Occupancy Rates	
	Financial Year	
	30 April 2007	30 April 2006
KL Plaza, Kuala Lumpur	59%	91%
Plaza Berjaya, Kuala Lumpur	89%	87%
Kota Raya Complex, Kuala Lumpur	91%	92%
Wisma Cosway, Kuala Lumpur	92%	87%
Berjaya Megamall, Kuantan	94%	90%

For the year under review, the Group's complexes have generally reported increases in occupancy rate except KL Plaza mainly due to the relocation of Berjaya Corporation's headquarters to Berjaya Times Square, Kuala Lumpur in the first quarter of 2006. Plaza Berjaya, Wisma Cosway and Berjaya Megamall registered increases in revenue in line with the higher occupancy rates achieved during the year.

Our Group's complexes will continue to record high occupancies as all of them except Berjaya Megamall are situated within the Golden Triangle with high traffic and easy accessibility to public transportation. Our complexes will continue to offer competitive rental rates to attract retailers and tenants as well as increasing promotional activities and other crowd pulling events to improve the traffic flow into the complexes.

## PROPERTY DEVELOPMENT

For the financial year under review, the Property Division generated a sales value of RM248.4 million from the sale of various property development projects as well as the divestment of parcels of undeveloped land and investment properties. During the year under review, several new property launches took place at

various locations; in the city and suburban areas.

The final phase of landed residential properties at **Berjaya Park**, Shah Alam was launched in July 2006. *Hazel*, the double-storey terrace homes with built-up from 1,907 sq ft is priced from RM245,880. During the year under review, total sales value generated was RM11.2 million with construction reaching 60% while completion is targeted within the first quarter of 2008. Since its launch, 40% of the total available units have been sold and sale is still growing strong.

In Pahang, **Kuantan Perdana** which comprises 37 units in 3 blocks of 3- and 4- storey shop office was launched in December 2006. The commercial property which is located in the business hub of Kuantan town has seen a take-up rate of approximately 30% since the launch. The units are sold on an en-bloc basis and are priced from RM889,000 to RM2.2 million. The project is due to be completed in 2009 and has a gross development value ("GDV") of RM43.5 million. Each unit comes with a private lift which makes it the first shop office in Kuantan that boasts such facility and the built-up ranges from 3,419 sq ft to 6,828 sq ft for each unit.

**Seputeh Heights**, a high-end gated and guarded development in Taman Seputeh which is now a thriving neighbourhood with a healthy population already residing there, has so far generated a total sales value of RM126.2 million with RM12.3 million achieved in the year under review.

The group's land bank in Bukit Jalil continues to make waves with the brisk sales of **Savanna @ Bukit Jalil**, a 408-unit condominium housed in 2 towers of 22 floors each. The entire *Savanna @ Bukit Jalil* development spans an area of 5.05 acres with a total GDV of RM121 million. *Savanna's* spacious built-up starts from 1,212 sq ft and was marketed with the winning tagline of 3+1+1, reflecting the spacious 3+1 bedroom apartments and 3 covered parking bays.

An interior view of a Savanna condominium in Bukit Jalil, Kuala Lumpur.

Seputeh Heights, Taman Seputeh, Kuala Lumpur.



## Chairman's Statement and Review Of Operations



*The signing ceremony between Berjaya Golf Resort Bhd and Hanju-Savanna (M) Sdn Bhd on the sale of Savanna condominiums in Bukit Jalil, Kuala Lumpur.*

The recent en-bloc sale of Savanna's Block B to Hanju I & D Co. Ltd of Korea in April 2007 with a sale value of RM64 million is a timely response to the Government's aspirations of having more foreigners setting up home on our shores. With the anticipated Korean community that the sale is creating, Savanna may well be on its way to becoming Kuala Lumpur's newest "Little Korea".

Also located in the Bukit Jalil vicinity is the 3-and 4-storey freehold shop office called **The Link**. The project which was unveiled recently sold close to 50% of the units with a total sales value of RM42.9 million. The development which is priced from RM300 psf, looks set to be the next suburban commercial hub with a gross sales value of RM100 million. **The Link's** advantage lies in its strategic location owing to easy accessibility from a network of converging highways. Designed for retail on the ground floor with office premise above that is column free and styled with a sidewalk concept, **The Link** is poised to be yet another success story for the Group.

### PROJECTS COMING ON-STREAM

Among the projects coming on-stream in the Klang Valley which have been targeted to be launched in the current financial year include **Savanna 2 @ Bukit Jalil** - an exclusive resort villa comprising of 4 levels of 32 units walk-up condominium, **Petaling Indah**, Kuala Lumpur - a 21-storey commercial shop office and

residential development, **Vasana**, Kuala Lumpur - 25 units of exclusive 3-storey villas within the Seputih vicinity and a **20-storey condominium** in Bukit Jalil comprising of 308 units of 3+1 bedroom condo. Meantime, a subsidiary of Hanju I & D Co. Ltd. of Korea had expressed interest to purchase the entire 308 units of condominiums in Bukit Jalil and had signed a MOU for a total consideration of nearly RM126 million.

Outside the Klang Valley, the first phase of **704 units of service apartments** consisting studio units and 2-and 3-bedroom apartments fronting the beautiful beach of Teluk Cempedak, Kuantan is expected to be launched in the current financial year.

**Berjaya Central Park** is a city centre mixed development consisting of 2 blocks of 50-storey towers of exclusive services suites and office units. Located within Kuala Lumpur's Golden Triangle at the junction of Jalan Sultan Ismail and Jalan Ampang, Berjaya Central Park is set to complement the modern facade of the surrounding high end development within the KLCC area.

Currently, we have completed the sub-structure works that was contracted to UEM Bauer while the super-structure contract was recently awarded to Vinci Construction.

On the overseas front, the Group has expanded its operations to Vietnam, China and Thailand.

The first project in Vietnam comprising a mixed development of residential, commercial, office towers, hotel, international school and health care centre is expected to take off in the current financial year. Spreading over 30 hectares, the property is located at Thach Ban, Long Bien District in Hanoi. It is projected to be developed over a period of five years and is expected to house a population of 20,000 with a potential GDV of nearly USD493.16 million (equivalent to RM1.726 billion).

The Group had also entered into several MOUs and MOAs to further develop in Vietnam, in particular in Ho Chi Minh City and Dong Nai Province. Among the MOUs and MOAs entered into to date include a commercial development in Ho Chi Minh City as a financial centre with offices, shopping malls, a 5-star hotel and service suites and a mixed residential development; a proposed mixed used development for a university township which comprises universities, colleges, schools, residential, commercial developments, recreation

*The 21-storey mixed commercial shop office and residential development at Petaling Indah, Off Jalan Sungai Besi will be completed by end of 2008.*

*Berjaya Central Park, Kuala Lumpur.*

and sports centre, medical facilities and an Information Technology park on a parcel of land measuring approximately 880 hectares (approximately 2,175 acres) in Tan Thoi Nhi Commune, Hoc Mon District; Ho Chi Minh City; and in Bien Hoa City in the Dong Nai Province, a mixed residential and commercial development.

B-Land also owns some land bank in **Nongjok District, Bangkok** where a proposed mixed development which covers an area of 600 acres is expected to generate a GDV of RM2.5 billion.

In Sanhe City, Hebei Province, People's Republic of China, the construction of the **Great Mall of China ("GMOC")** in Yanjiao Development and Economic Tech has commenced and is expected to be completed in the year 2010. GMOC is a mixed development project comprising retail, entertainment and indoor theme parks including a water park with a GDV of approximately RM2.78 billion.

### Market Outlook

The property sector can look forward to an exciting financial year as the Malaysian real estate market is undergoing a stage of rapid growth underpinned by healthy economic performance based on key indicators like the property market trend and the Ninth Malaysia Plan. More recently, the Government is taking the right measures to promote demand in the property sector by implementing incentives which are expected to slash red tapes for both developers and buyers further boosting the local property market scenario.

In addition, the move to improve the delivery system within the property sector via the new One Stop Centre (OSC), relaxed regulations which allow foreigners to purchase properties without needing to seek Foreign Investment Committee's approval for homes priced from RM250,000 and the waiving of real property gains tax have all boosted market sentiment.

The Government's aspirations to promote foreign investment via the *Malaysia My Second Home* programme have led the country to be the hotspot for foreign property investment. This in turn has

helped to broaden the potential customer base of the Group's domestic property market. In line with this, the Group has taken the initiative to apply as a licensed agent with the Ministry of Tourism to market the programme via Berjaya 2<sup>nd</sup> Homes MM2H Sdn Bhd.

The Property Division is optimistic about the outlook of the local property market in view of the improved market condition and renewed foreign interest. The group will continually develop new housing concepts that are practical and are unique with reasonable pricing. With our overseas projects in Vietnam, Thailand and China also coming onstream, the medium and long term prospects of the Property Division is bright.



Car care range from Cosway.

### CONSUMER MARKETING & DIRECT SELLING

#### Cosway (M) Sdn Bhd ("Cosway")

For the financial year under review, Cosway group recorded a revenue increase of 17% mainly from the strong growth in its international operations in Taiwan and Hong Kong. Pre-tax profit improved by 29% mainly due to contribution from its new international operations and ongoing

rationalization of its existing international operations.

The softer outlook in the direct selling industry in Malaysia has prompted Cosway to look abroad for growth opportunities a few years ago. A number of new markets have been identified for new business opportunities and at the same time, a rationalization program has been carried out to further streamline its existing international operations.

Cosway will build on its success in Taiwan and Hong Kong by expanding its operations to more countries as well as to replace its existing Cosway Value Club in Australia with eCosway's business model. The company is confident that it can replicate its success in Taiwan and Hong Kong in these new markets.

Skin care and personal care range from Cosway.





Cosway Value Club's outlet in Melbourne, Australia.

Cosway's Redemption Counter, Wisma Cosway, Kuala Lumpur.

On the domestic front, Cosway went through a major re-positioning of its sales centres in the last 3 years. More new sales centres were opened at major shopping malls and selected petrol kiosks to provide more convenience for members to purchase the products and to create brand awareness and better visibility for the non-members and public in general. In line with this strategy, the number of sales centres in shopping malls and kiosks has increased from 34 to 52 during the year.

The outlook remains good for the forthcoming year as Cosway continues with its marketing strategies of introducing higher margin products, focusing on pricing strategy and conducting regular and aggressive promotions.

**Singer (Malaysia) Sdn Bhd ("Singer")**

During the year, consumer spending and private consumption softened due to inflationary pressures following higher global oil prices. Nevertheless, the low interest rate environment, stable employment and steady disposable income levels had generally contributed to the sustained consumer spending.

In a year of intense competition, Singer managed to register a higher pre-tax profit despite a marginally lower revenue. This was achieved on the back of cost reductions and marketing initiatives to enhance the Singer brand name.

Singer Malaysia celebrated its 100<sup>th</sup> anniversary during the year by organizing various activities to commemorate the centennial celebration. Among the activities organised were the

Singer Sales Convention 2006/2007 for over 500 sales personnel in May 2006, a "Thank You Customer Campaign" to reward loyal customers and to recognize their trust in Singer, public displays of the "Biggest Quilt in Malaysia" endorsed by the Malaysia Book of Records, showcasing of old Singer sewing machines, a Perodua Kancil contest and the launch of Singer's new "Inspiration"™ line of sewing machines. Singer also collaborated with TV3's "Wanita Hari Ini" program where Singer conducted 'live' sewing demonstrations and sewing tips for viewers.

During the year, Singer was appointed the sole distributor for Pfaff sewing machines in Malaysia and this will further complement Singer's leading position in sewing machines in the country. The Pfaff brand has been established for more than 140 years in Germany and is one of the world's leading manufacturers of sewing machines.

Singer recently formed a strategic partnership with Pos Malaysia Berhad ("PMB") where Singer's customers can make payments and purchase products online through PMB's portal. This alliance enables Singer to further widen its range of payment channels and improve the accessibility of Singer's products. In May 2007, Singer formed a strategic partnership with the country's leading banking group, CIMB Bank in offering the bank's personal financing product, CIMB Xpress Cash, nationwide where customers can submit applications for loans ranging from RM3,000 to RM50,000 through sales agents and at all Singer shops.



"Inspiration" sewing machines from Singer.



Singer Sales Convention 2006/07 in Genting Highlands, Pahang.

Singer's strategic partnership with CIMB Bank to introduce "CIMB Xpress Cash" to Singer's customers.

The company also launched its latest service, the easy credit scheme for Home Improvement products. Taking the sentiment of 'making a house a home' a step further, customers are now able to renovate and purchase household products for their dream home with easy payment facilities from Singer. It is a one-stop package for customers to own new products and a renovated and furnished home. Among the products offered under the Singer's home improvement package include installation of awning, plaster ceiling, floor tiling, grill, kitchen cabinet, auto gate, etc.

Moving forward, a series of marketing campaigns will be implemented to boost the company's business. The Home Improvement easy financing service will continue to be one of the main focuses and a nationwide comprehensive customer campaign will also take place to promote the importance of good customer service. In addition, billboard and broadcast media advertising will play a major role in the current financial year to enhance Singer's brand visibility.

For the coming financial year, Singer will continue to forge smart partnerships with other corporate bodies, financial institutions and collaborate with various forms of media and channels to further enhance its brand name and to cultivate business growth and expansion.

**Berjaya HVN Sdn Bhd ("Berjaya HVN")**

For the financial year under review, the Berjaya HVN group recorded a 3% increase in revenue mainly contributed by the Malaysian distribution business following the company's aggressive marketing and acquisition of new titles.

In Malaysia, the company achieved an increase of 14.2% in revenue over the preceding year mainly attributed to the aggressive marketing and acquisition of new titles. The video retail business in Malaysia continued to face challenges from higher operating costs and piracy problems despite the continued raiding by the authority to help curtail the rampant piracy in some shopping malls in the Klang Valley. The company currently operates 12 Video Ezy stores throughout the country.

In Singapore, the business environment continued to pose challenges with shop rental rates skyrocketing and the increase in Government Service Tax from 2% to 7% effective 1 July 2007. This will translate into higher operating costs for both the retailers and distributors.

Despite a challenging market, with our continuous marketing and promotional efforts and aggressive acquisition of new titles, we anticipate that the group will perform better in the coming year.



A Video Ezy outlet.

A wide range of music and movie titles.

Mr Loh Kim Wah, Executive Director of Berjaya HVN Sdn Bhd receiving the "Best Licensee" and "Best Innovation" Award 2006/07 from Ms. Melanie Nicholas, President (International Licensee & Emerging), Universal Pictures International.



**FOOD & BEVERAGES**

For the financial year under review, **Berjaya Starbucks Coffee Company Sdn Bhd** ("Starbucks") registered a 22.7% and 69% increase in revenue and pre-tax profit respectively as compared to the previous year mainly due to growth of new stores and growing acceptance of the brand and its products. This had led to more new customers visiting the stores and the increase in frequency of visits by existing customers.

During the year, we continued expanding our retail stores, opening another 16 stores bringing the total number of Starbucks Coffee stores nationwide to 84. The year also saw the opening of our first Starbucks store in Ipoh and our entry into East Malaysia with the opening of two stores in Sabah.

The complimentary WIFI service offered at all Starbucks stores nationwide continues to be well received by customers who use the facility for both business and leisure.

Starbucks continues to lead in the introduction of innovative beverage products like the *Banana Mocha* and *Cream Frappuccino*, *Java Chip Frappuccino* as well as the popular *Toffee Nut Latte* and *Frappuccino* in December 2006. Exclusive coffee flavoured moon cakes offered during the mid autumn festival period has had a growing following since its introduction three years ago. The company also reintroduced its customization program allowing its customers to create their own beverage just the way they like it.

For the current financial year, Starbucks is committed to expand more stores as well as introduce new programs to enhance its customers' experience.

**Berjaya Roasters (M) Sdn Bhd ("KRR")**, is the franchise holder for Kenny Rogers Roasters restaurants in Malaysia. During the year, KRR opened four new restaurants namely in Tebrau City-Johor, Queensbay Mall-Penang, Equine Park-Seri Kembangan and The Curve-Damansara bringing the total number of KRR restaurants nationwide to 84.

For the financial year ended 30 April 2007, KRR recorded an increase of 12% in revenue and 34% increase in pre-tax profit as compared to the previous year mainly attributed to aggressive branding and promotional programmes as well as visibility and exposure in the media.

During the year, a variety of seasonal food promotions were introduced such as *Chicken & Pasta Meal*, *Chocolate Oasis*, *Mexicano Meal* and many more. Among the marketing and promotional activities organised were SMS Contests via tie-ups with film distributors, ROASTERS Health Watch programme and Roasters Chicken Run campaign in aid of Tabung Kebajikan Pesakit Pediatrik (Onkologi) HUKM.

KRR's Community Chest campaign is the blue print of KRR's corporate social responsibility to the community. A series of activities had been carried out such as food donation to the flood victims in Johor, visit to Charis Old Folks Home, Wishing Tree Campaign and Jamuan Raya.

In line with its mission statement, guiding principles and values with employees, KRR had continued with its staff development programmes which included the Staff Satisfaction Survey, Annual Business Plan Meeting and Leadership Convention.



Kenny Rogers ROASTERS' outlet at Berjaya Times Square, Kuala Lumpur.



With at least 8 more restaurants planned to be opened in the current financial year and a more aggressive business plan, KRR is optimistic on taking the company to the next level.

**Roasters Asia Pacific (HK) Ltd. ("RAP")** expanded its business further during the year under review with the signing of two Master Development Agreements for Beijing, China and Jakarta, Indonesia. The first outlet for both territories are expected to start operation by the last quarter of 2007. Currently, there are over 100 KRR restaurants operating in nine countries throughout Asia.

RAP had continued to play its role in the local franchise scene and was again elected as an Exco member of the Malaysian Franchise Association with Dato' Mukhriz Tun Mahathir as the Chairman.

RAP has committed to participate in numerous upcoming franchise exhibitions and trade missions which will help to build the brand overseas and create awareness in markets where our presence are not established yet.

Moving forward, RAP has put into its development plan to expand into new markets which include other parts of China, Hong Kong, Macau and India and 20 new restaurants have been planned to be opened in the coming financial year.

### INDUSTRY

**KUB-Berjaya Enviro Sdn Bhd ("KBE")** is a 60:40 joint-venture company between Berjaya Corporation Berhad and KUB Malaysia Berhad, incorporated to undertake a long term concession with the Federal Government to design, build and operate a sanitary landfill in Bukit Tagar, Hulu Selangor for the disposal of municipal solid waste from Selangor and Kuala Lumpur.

The landfill, known as Bukit Tagar Sanitary Landfill ("BTSL") features modern technology in landfill design and management and incorporates amongst others, the largest leachate treatment plant in the country to treat leachate produced by the waste. BTSL also incorporates some pioneering technologies and practices for local landfills such as the use of a reed bed and also the 'zero discharge policy' which has proven to be effective in achieving a higher standard of leachate treatment which maintains the integrity of the environment. A purpose built interchange and access road was also built along the North-South Expressway to enable direct and quick access to BTSL from Selangor and Kuala Lumpur.

Since the commencement of its waste disposal operations in April 2005, KBE has shown positive financial results. For the financial year under review, KBE registered a higher revenue of RM16.4 million compared to RM4.6 million in the previous year mainly due to the increase in its customer base following the closure of non-environmental friendly waste disposal sites in the Klang Valley.

BTSL's initial waste cell, the Advance Cell started accepting waste from DBKL in April 2005 and has now received and treated in excess of 1 million tonnes of waste. Development works are well under way for Phase 1 cell, the next phase to accept waste upon closure of the Advance Cell by the third quarter of 2007. With a capacity of more than 3.5 million tonnes, Phase 1 is expected to last for more than 3 years.

KBE has also started receiving and treating waste from Majlis Perbandaran Selayang since June 2007. With the closure of non-sanitary waste disposal sites by the Government, BTSL provides the authorities an avenue for modern and environmentally friendly waste disposal and treatment facility in the Central region.

Some recent developments augur well for the long term implementation of BTSL. During a recent visit in May 2007, YAB Deputy Prime Minister, Dato' Sri Najib Tun Razak acknowledged BTSL as a world-class landfill and a fine example of resolving the waste problems facing the nation.

*YAB Dato' Sri Najib Tun Abdul Razak,  
Deputy Prime Minister,  
YB Dato' Seri Ong Ka Ting,  
Minister of Housing & Local Government  
and YB Dato' Seri Azmi Khalid,  
Minister of Natural Resources and Environment  
during a visit to Bukit Tagar Sanitary Landfill,  
Batang Berjuntai, Selangor.*

